

SHADOW AUDIT

CPT

2020 SAME-STORE PORTFOLIO

AUDIT ID: SHADOW-020

DATE: 02/2026

CONFIDENTIAL

INSTITUTIONAL USE ONLY

METHODOLOGY

The Shadow Audit identifies underwriting bias by applying two standardized adjustments to reported Same Store results.

1. REVENUE MISS: 2% REDUCTION

Underwriters consistently overproject revenue growth.

2. EXPENSE GAP: 3% INCREASE

Underwriters consistently underproject expense growth.

These adjustments are applied to actual reported numbers from the SEC 10-K filing. The resulting Proforma NOI represents a normalized operating baseline.

The difference between Current NOI and Proforma NOI is the NOI Gap. Valuation impact is calculated using a 5.5% cap rate.

This methodology is applied consistently across all Shadow Audits to enable comparable analysis across portfolios and time periods.

SOURCE DATA

CPT 2020 10-K FILING

Filed: February 2021

Access:

<https://www.sec.gov/Archives/edgar/data/906345/000090634521000010/cpt-20201231.htm>

SAME-STORE TABLE (Page 25)

Same Store Revenue 2020: \$914,254,000

Same Store Expenses 2020: \$332,623,000

Same Store NOI 2020: \$581,631,000

Same Store Revenue 2019: \$904,400,000

Same Store Expenses 2019: \$320,344,000

Same Store NOI 2019: \$584,056,000

Number of Same Store Homes: 43,710

Note: 2020 figures exclude \$9.1M Resident Relief Funds and \$4.5M COVID-19 expenses for comparability.

Source verification: All numbers extracted directly from the above filing. No estimates or adjustments to source data.

ANALYSIS

CURRENT OPERATIONS

Revenue	\$914,254,000
Expenses	\$332,623,000
NOI	\$581,631,000

ADJUSTMENTS

Revenue Miss (2%)	-\$18,285,080
Expense Gap (3%)	+\$9,978,690
Total Adjustment	-\$28,263,770

PROFORMA OPERATIONS

Proforma Revenue	\$895,968,920
Proforma Expenses	\$342,601,690
Proforma NOI	\$553,367,230
NOI Gap	\$28,263,770
Decline	4.86%

VALUATION IMPACT (5.5% CAP)

Current Value	\$10,575,109,091
Proforma Value	\$10,061,222,364
Value Creation	-\$513,886,727

CALCULATION CHECK

Proforma Revenue = Revenue × 0.98	
Proforma Expenses = Expenses × 1.03	
Proforma NOI = Proforma Revenue – Proforma Expenses	
NOI Gap = Current NOI – Proforma NOI	

NorthQuest

This analysis is based on publicly available SEC filings. NorthQuest LLC applies a standardized methodology to identify underwriting bias. Results are estimates and should be verified through full due diligence prior to any acquisition decision.

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